

**Executive Summary – Enforcement Matter – Case No. 47477**

**Exxon Mobil Corporation**

**RN102488517**

**Docket No. 2013-1583-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

King Ranch Gas Plant, 7.5 miles north of Premont and 3.2 miles east of U.S. Highway 281, Kleberg County

**Type of Operation:**

Oil and gas processing plant

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** May 2, 2014

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$225,450

**Amount Deferred for Expedited Settlement:** \$45,090

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$90,180

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**SEP Conditional Offset:** \$90,180

Name of SEP: Railroad Commission of Texas

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - Satisfactory

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** September 2002

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** July 3, 2013

**Date(s) of NOE(s):** August 16, 2013

**Executive Summary – Enforcement Matter – Case No. 47477**  
**Exxon Mobil Corporation**  
**RN102488517**  
**Docket No. 2013-1583-AIR-E**

***Violation Information***

Failed to comply with the 3.32 tons per year volatile organic compound ("VOC") emissions rate for Tank No. 22. Specifically, Tank No. 22 received a liquids stream that was not represented in the permitting process. The Respondent discovered this on or about June 20, 2011 and ceased Plant operations on or about November 18, 2013 [Federal Operating Permit No. O3134, Special Terms and Conditions No. 8, New Source Review Permit No. 73319, Special Conditions No. 1, 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent temporarily shut down the Plant on or about November 18, 2013.

**Technical Requirements:**

1. The Order will require the Respondent to implement and complete a Supplemental Environmental Project ("SEP"). (See SEP Attachment A)
2. The Order will also require the Respondent to:
  - a. Within 365 days:
    - i. Implement measures and/or procedures to ensure compliance with the allowable VOC emissions rates in New Source Review Permit No. 73319; and
    - ii. Permanently remove Tank No. 22 from service.
  - b. Within 380 days, submit written certification to demonstrate compliance with Ordering Provision a.

***Litigation Information***

**Date Petition(s) Filed:** N/A  
**Date Answer(s) Filed:** N/A  
**SOAH Referral Date:** N/A  
**Hearing Date(s):** N/A  
**Settlement Date:** N/A

**Executive Summary – Enforcement Matter – Case No. 47477**  
**Exxon Mobil Corporation**  
**RN102488517**  
**Docket No. 2013-1583-AIR-E**

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Jessica Schildwachter, Enforcement Division, Enforcement Team 5, MC 149, (512) 239-2617; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

**TCEQ SEP Coordinator:** Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565

**Respondent:** Kenneth C. Dowd, USP Production Manager, Exxon Mobil Corporation, P.O. Box 4358 CORP-WGR-1028, Houston, Texas 77210-4358  
Mark R. Decatur, Regulatory Compliance Supervisor, Exxon Mobil Corporation, P.O. Box 4358 CORP-WGR-1028, Houston, Texas 77210-4358

**Respondent's Attorney:** N/A



**Attachment A**  
**Docket Number: 2013-1583-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Exxon Mobil Corporation</b>
<b>Penalty Amount:</b>	<b>One Hundred Eighty Thousand Three Hundred Sixty Dollars (\$180,360)</b>
<b>SEP Offset Amount:</b>	<b>Ninety Thousand One Hundred Eighty Dollars (\$90,180)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Railroad Commission of Texas</b>
<b>Project Name:</b>	<b><i>Alternative Fuels Clean School Bus Replacement Program</i></b>
<b>Location of SEP:</b>	<b>Statewide, Preference for Kleberg County</b>

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

**a. Project**

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Railroad Commission of Texas** for the *Alternative Fuels Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel buses with newer buses that meet more stringent emission standards.

The Third-Party Administrator shall use the SEP Offset Amount for up to 100% of the purchase price of a propane or natural gas powered school bus that is model year 2010 or newer to public school districts and public charter schools to replace a diesel school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

Exxon Mobil Corporation  
Agreed Order - Attachment A

All dollars contributed will be used for the direct cost of implementing the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Railroad Commission of Texas SEP** and shall mail the contribution with a copy of the Agreed Order to:

Alternative Energy Division  
Railroad Commission of Texas  
P.O. Box 12967  
Austin, Texas 78711-2967

**3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount due to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Exxon Mobil Corporation  
Agreed Order - Attachment A

Texas Commission on Environmental Quality  
Enforcement Division  
Attention: SEP Coordinator, MC 219  
P.O. Box 13087  
Austin, Texas 78711-3087

#### 4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

#### 5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent, must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

#### 6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

**7. Other SEPs by TCEQ or Other Agencies**

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

**DATES** Assigned 19-Aug-2013  
PCW 27-Feb-2014 Screening 21-Aug-2013 EPA Due

## RESPONDENT/FACILITY INFORMATION

Respondent Exxon Mobil Corporation  
Reg. Ent. Ref. No. RN102488517  
Facility/Site Region 14-Corpus Christi Major/Minor Source Major

## CASE INFORMATION

Enf./Case ID No. 47477 No. of Violations 1  
Docket No. 2013-1583-AIR-E Order Type 1660  
Media Program(s) Air Government/Non-Profit No  
Multi-Media Enf. Coordinator Jessica Schildwachter  
EC's Team Enforcement Team 5

Admin. Penalty \$ Limit Minimum \$0 Maximum \$10,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** Subtotal 1 \$135,000

## ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

**Compliance History** 67.0% Enhancement Subtotals 2, 3, & 7 \$90,450

Notes Enhancement for one NOV with dissimilar violations, two orders with denial of liability, and one order without denial of liability.

**Culpability** No 0.0% Enhancement Subtotal 4 \$0

Notes The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** Subtotal 5 \$0

**Economic Benefit** 0.0% Enhancement\* Subtotal 6 \$0

Total EB Amounts \$9,276  
Approx. Cost of Compliance \$60,000  
\*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** Final Subtotal \$225,450

**OTHER FACTORS AS JUSTICE MAY REQUIRE** 0.0% Adjustment \$0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount \$225,450

**STATUTORY LIMIT ADJUSTMENT** Final Assessed Penalty \$225,450

**DEFERRAL** 20.0% Reduction Adjustment -\$45,090

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

**PAYABLE PENALTY** \$180,360

Screening Date 21-Aug-2013

Docket No. 2013-1583-AIR-E

PCW

Respondent Exxon Mobil Corporation

Policy Revision 2 (September 2002)

Case ID No. 47477

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102488517

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	0	0%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	2	40%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	1	25%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgements or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 67%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

Compliance  
History  
Notes

Enhancement for one NOV with dissimilar violations, two orders with denial of liability, and one order without denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, &amp; 7) 67%

Screening Date 21-Aug-2013

Docket No. 2013-1583-AIR-E

PCW

Respondent Exxon Mobil Corporation

Policy Revision 2 (September 2002)

Case ID No. 47477

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102488517

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 1

Rule Cite(s)

Federal Operating Permit No. 03134, Special Terms and Conditions No. 8, New Source Review Permit No. 73319, Special Conditions No. 1, 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to comply with the 3.32 tons per year volatile organic compound ("VOC") emissions rate for Tank No. 22. Specifically, Tank No. 22 received a liquids stream that was not represented in the permitting process. The Respondent discovered this on or about June 20, 2011 and ceased Plant operations on or about November 18, 2013.

Base Penalty \$10,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

	Harm		
Release	Major	Moderate	Minor
Actual		X	
Potential			

Percent 50%

## &gt;&gt; Programmatic Matrix

	Major	Moderate	Minor
Falsification			

Percent 0%

Matrix Notes

The Respondent provided air dispersion modeling for the 254 tons of unauthorized VOC that was released during the period of non-compliance. Based on the Air Quality Analysis performed on the air dispersion modeling, human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$5,000

\$5,000

## Violation Events

Number of Violation Events 27

793 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	X
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$135,000

Twenty-seven monthly events are recommended for the period of non-compliance from June 20, 2011 to screening on August 21, 2013.

## Good Faith Efforts to Comply

0.0% Reduction

\$0

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$135,000

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$9,276

Violation Final Penalty Total \$225,450

This violation Final Assessed Penalty (adjusted for limits) \$225,450

# Economic Benefit Worksheet

Respondent Exxon Mobil Corporation

Case ID No. 47477

Reg. Ent. Reference No. RN102488517

Media Air

Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$10,000	20-Jun-2011	13-May-2014	2.90	\$97	\$1,932	\$2,029
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$50,000	20-Jun-2011	13-May-2014	2.90	\$7,247	n/a	\$7,247

Notes for DELAYED costs

Estimated cost to implement measures and/or procedures to ensure compliance with the allowable VOC emissions rates in New Source Review Permit No. 73319 and estimated cost to permanently remove Tank No. 22 from service. The Dates Required is the first date of non-compliance on June 20, 2011 and the Final Dates are the estimated dates of compliance.

## Avoided Costs

### ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$60,000

TOTAL

\$9,276



# Compliance History Report

**PUBLISHED** Compliance History Report for CN600123939, RN102488517, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

<b>Customer, Respondent, or Owner/Operator:</b>	CN600123939, Exxon Mobil Corporation	<b>Classification:</b>	SATISFACTORY	<b>Rating:</b>	11.91
<b>Regulated Entity:</b>	RN102488517, KING RANCH GAS PLANT	<b>Classification:</b>	SATISFACTORY	<b>Rating:</b>	19.50
<b>Complexity Points:</b>	8	<b>Repeat Violator:</b>	NO		
<b>CH Group:</b>	03 - Oil and Gas Extraction				
<b>Location:</b>	7.5 MILES NORTH OF PREMONT, TX, AND 3.2 MILES EAST OF HIGHWAY 281, IN KLEBERG COUNTY				
<b>TCEQ Region:</b>	REGION 14 - CORPUS CHRISTI				

## ID Number(s):

**AIR OPERATING PERMITS** ACCOUNT NUMBER KJ0003N

**AIR OPERATING PERMITS** PERMIT 3134

**AIR OPERATING PERMITS** PERMIT 3134

**PUBLIC WATER SYSTEM/SUPPLY** REGISTRATION 1370029

**AIR NEW SOURCE PERMITS** REGISTRATION 23353

**AIR NEW SOURCE PERMITS** ACCOUNT NUMBER KJ0003N

**AIR NEW SOURCE PERMITS** AFS NUM 4827300001

**AIR NEW SOURCE PERMITS** REGISTRATION 72454

**AIR NEW SOURCE PERMITS** PERMIT 73319

**AIR NEW SOURCE PERMITS** REGISTRATION 82074

**AIR NEW SOURCE PERMITS** REGISTRATION 105723

**AIR EMISSIONS INVENTORY** ACCOUNT NUMBER KJ0003N

**AIR NEW SOURCE PERMITS** REGISTRATION 48907

**AIR NEW SOURCE PERMITS** REGISTRATION 75910

**AIR NEW SOURCE PERMITS** REGISTRATION 72882

**AIR NEW SOURCE PERMITS** PERMIT 73016

**AIR NEW SOURCE PERMITS** REGISTRATION 77328

**AIR NEW SOURCE PERMITS** REGISTRATION 84624

**WATER LICENSING** LICENSE 1370029

<b>Compliance History Period:</b>	September 01, 2007 to August 31, 2012	<b>Rating Year:</b>	2012	<b>Rating Date:</b>	09/01/2012
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**Date Compliance History Report Prepared:** August 22, 2013

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** August 22, 2008 to August 22, 2013

## TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

**Name:** Rebecca Johnson

**Phone:** (361) 825-3423

## Site and Owner/Operator History:

- |  |     |
|--|-----|
| 1) Has the site been in existence and/or operation for the full five year compliance period?       | YES |
| 2) Has there been a (known) change in ownership/operator of the site during the compliance period? | NO  |
| 3) If <b>YES</b> for #2, who is the current owner/operator?  | N/A |
| 4) If <b>YES</b> for #2, who was/were the prior owner(s)/operator(s)?                              | N/A |
| 5) If <b>YES</b> , when did the change(s) in owner or operator occur?                              | N/A |

## Components (Multimedia) for the Site Are Listed in Sections A - J

### A. Final Orders, court judgments, and consent decrees:

- |   |   |   |
|---|---|---|
| 1 | Effective Date: 07/06/2012                                  | ADMINORDER 2011-2280-AIR-E (Findings Order-Agreed Order Without Denial) |
|   | Classification: Moderate                                    |   |
|   | Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F) |   |
|   | 30 TAC Chapter 116, SubChapter B 116.115(c)                 |   |
|   | 5C THSC Chapter 382 382.085(b)                              |   |
|   | Rqmt Prov: NSR Special Condition 1 PA                       |   |

Description: Failure to prevent unauthorized emissions. This unauthorized release of emissions from Tank 22 could have been avoided by better operation, and a technically feasible design consistent with good engineering practice.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)  
5C THSC Chapter 382 382.085(b)

Description: Failure to determine if an event was a reportable emissions event and notify the commission office not later than 24 hours after the discovery of the emissions event. Specifically, on June 26, 2011, Exxon discovered during an inspection of Tank 22, that roof seal damage had occurred during a fluid transfer operation on June 20, 2011 which caused an emissions event.

See addendum for information regarding federal actions.

**B. Criminal convictions:**

N/A

**C. Chronic excessive emissions events:**

N/A

**D. The approval dates of investigations (CCEDS Inv. Track. No.):**

Item 1	November 26, 2008	(708585)
Item 2	December 08, 2008	(709347)
Item 3	February 25, 2009	(736449)
Item 4	July 23, 2009	(761851)
Item 5	August 24, 2009	(765340)
Item 6	October 08, 2009	(776755)
Item 7	January 05, 2010	(787017)
Item 8	January 26, 2010	(789354)
Item 9	February 25, 2010	(793571)
Item 10	June 08, 2010	(825044)
Item 11	July 30, 2010	(830215)
Item 12	December 20, 2011	(975264)
Item 13	June 28, 2012	(1014650)
Item 14	September 24, 2012	(1034886)
Item 15	October 30, 2012	(1030961)
Item 16	December 17, 2012	(1043570)
Item 17	March 19, 2013	(1075376)
Item 18	April 15, 2013	(1075136)

**E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):**

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	08/16/2013	(1103215)	CN600123939
	Self Report?	NO		Classification: Minor
	Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Special Condition No. 10A PERMIT Special Terms and Conditions No. 8 OP		
	Description:	Failure to comply with reporting requirements specified in an applicable state permit.		

**F. Environmental audits:**

N/A

**G. Type of environmental management systems (EMSs):**

N/A

**H. Voluntary on-site compliance assessment dates:**

N/A

**I. Participation in a voluntary pollution reduction program:**

N/A

**J. Early compliance:**

N/A

**Sites Outside of Texas:**

N/A



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## ***Addendum to Compliance History Federal Enforcement Actions***

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**Reg Entity Name:** EXXON/MOBIL

**Reg Entity Add:** P. O. BOX 4358

**Reg Entity City:** HOUSTON

**Reg Entity No:** RN102488517

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**Customer Name:** Exxon Mobil Corporation

**Customer No:** CN600123939

**EPA Case No:** 06-2008-4521

**Order Issue Date (yyyymmdd):** 20081110

**Case Result:** Final Order with Penalty

**Statute:** CWA

**Sect of Statute:** 311B

**Classification:** Moderate

**Program:** Spills

**Citation:** 40 CFR

**Violation Type:** Oil Spill Violation Under  
CWA/OPA

**Cite Sect:** 311b

**Cite Part:** 22

**Enforcement Action:** Administrative Penalty Order

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**Reg Entity Name:** KING RANCH GAS PLANT

**Reg Entity Add:** KING RANCH

**Reg Entity City:** KINGSVILLE

**Reg Entity No:** RN102488517

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**Customer Name:** King Ranch Gas Plant

**Customer No:** CN600123939

**EPA Case No:** 06-2011-3311

**Order Issue Date (yyyymmdd):** 20101123

**Case Result:** Final Order No Penalty

**Statute:** CAA

**Sect of Statute:** 110

**Classification:** Minor

**Program:** State Implementation Pla

**Citation:**

**Violation Type:**

**Cite Sect:**

**Cite Part:**

**Enforcement Action:** Administrative Compliance Orders

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# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
EXXON MOBIL CORPORATION  
RN102488517**

**§  
§  
§  
§  
§**

**BEFORE THE  
  
TEXAS COMMISSION ON  
  
ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2013-1583-AIR-E**

### **I. JURISDICTION AND STIPULATIONS**

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Exxon Mobil Corporation ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a oil and gas processing plant at 7.5 miles north of Premont, Texas, and 3.2 miles east of Highway 281, in Kleberg County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about August 21, 2013.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Two Hundred Twenty-Five Thousand Four Hundred Fifty Dollars (\$225,450) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Ninety

Thousand One Hundred Eighty Dollars (\$90,180) of the administrative penalty and Forty-Five Thousand Ninety Dollars (\$45,090) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Ninety Thousand One Hundred Eighty Dollars (\$90,180) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent temporarily shut down the Plant on or about November 18, 2013.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## **II. ALLEGATIONS**

As owner and operator of the Plant, the Respondent is alleged to have failed to comply with the 3.32 tons per year volatile organic compound ("VOC") emissions rate for Tank No. 22, in violation of Federal Operating Permit No. O3134, Special Terms and Conditions No. 8, New Source Review Permit No. 73319, Special Conditions No. 1, 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on July 3, 2013. Specifically, Tank No. 22 received a liquids stream that was not represented in the permitting process. The Respondent discovered this on or about June 20, 2011 and ceased Plant operations on or about November 18, 2013.

## **III. DENIALS**

The Respondent generally denies each allegation in Section II ("Allegations").

#### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Exxon Mobil Corporation, Docket No. 2013-1583-AIR-E" to:

Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Ninety Thousand One Hundred Eighty Dollars (\$90,180) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. It is further ordered that the Respondent shall undertake the following technical requirements:
  - a. Within 365 days after the effective date of this Agreed Order:
    - i. Implement measures and/or procedures to ensure compliance with the allowable VOC emissions rates in New Source Review Permit No. 73319; and
    - ii. Permanently remove Tank No. 22 from service.
  - b. Within 380 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team  
Enforcement Division, MC 149A  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

with a copy to:

Air Section Manager  
Corpus Christi Regional Office  
Texas Commission on Environmental Quality  
6300 Ocean Drive, Suite 1200  
Corpus Christi, Texas 78412-5503

4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature

could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

## SIGNATURE PAGE

### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

Pamela Davis  
For the Executive Director

6/16/14  
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Kenneth C. Dowd  
Signature

March 27, 2014  
Date

Kenneth C. Dowd  
Name (Printed or typed)  
Authorized Representative of  
Exxon Mobil Corporation

USP Production Manager  
Title

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

**Attachment A**  
**Docket Number: 2013-1583-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Exxon Mobil Corporation</b>
<b>Penalty Amount:</b>	<b>One Hundred Eighty Thousand Three Hundred Sixty Dollars (\$180,360)</b>
<b>SEP Offset Amount:</b>	<b>Ninety Thousand One Hundred Eighty Dollars (\$90,180)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Railroad Commission of Texas</b>
<b>Project Name:</b>	<b><i>Alternative Fuels Clean School Bus Replacement Program</i></b>
<b>Location of SEP:</b>	<b>Statewide, Preference for Kleberg County</b>

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

**a. Project**

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Railroad Commission of Texas** for the *Alternative Fuels Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel buses with newer buses that meet more stringent emission standards.

The Third-Party Administrator shall use the SEP Offset Amount for up to 100% of the purchase price of a propane or natural gas powered school bus that is model year 2010 or newer to public school districts and public charter schools to replace a diesel school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

Exxon Mobil Corporation  
Agreed Order - Attachment A

All dollars contributed will be used for the direct cost of implementing the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Railroad Commission of Texas SEP** and shall mail the contribution with a copy of the Agreed Order to:

Alternative Energy Division  
Railroad Commission of Texas  
P.O. Box 12967  
Austin, Texas 78711-2967

**3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount due to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Exxon Mobil Corporation  
Agreed Order - Attachment A

Texas Commission on Environmental Quality  
Enforcement Division  
Attention: SEP Coordinator, MC 219  
P.O. Box 13087  
Austin, Texas 78711-3087

#### 4. **Failure to Fully Perform**

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

#### 5. **Publicity**

Any public statements concerning this SEP made by or on behalf of the Respondent, must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

#### 6. **Clean Texas Program**

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

**7. Other SEPs by TCEQ or Other Agencies**

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.